

ALDOT Equipment Management Experience

SSEMC Regional Meeting
July 25, 2017 Jekyll Island, GA

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ALABAMA DEPARTMENT OF TRANSPORTATION

Central Office Bureaus and Offices

- ▶ Administrative
- ▶ Aeronautics
- ▶ Air Transportation
- ▶ Bridge
- ▶ Compliance & Business Opportunities
- ▶ Computer Services
- ▶ Construction
- ▶ County Transportation
- ▶ Design
- ▶ Equipment
- ▶ Finance and Audits
- ▶ Innovative Programs
- ▶ Legal
- ▶ Maintenance
- ▶ Materials and Tests
- ▶ Media and Community Relations
- ▶ Office Engineer
- ▶ Personnel
- ▶ Quality Control
- ▶ Research and Development
- ▶ Right-of-Way
- ▶ Training
- ▶ Transportation Planning & Modal Programs
- ▶ Homeland Security
- ▶ State Fleet Management

ALDOT Regional Offices

Administrative, Planning, Oversight

- ▶ NORTH REGION - Huntsville
- ▶ EAST CENTRAL REGION - Hoover / Chelsea
- ▶ WEST CENTRAL REGION - Tuscaloosa
- ▶ SOUTHEAST REGION - Montgomery
- ▶ SOUTHWEST REGION - Mobile

ALDOT Area Offices

Functional and Operational

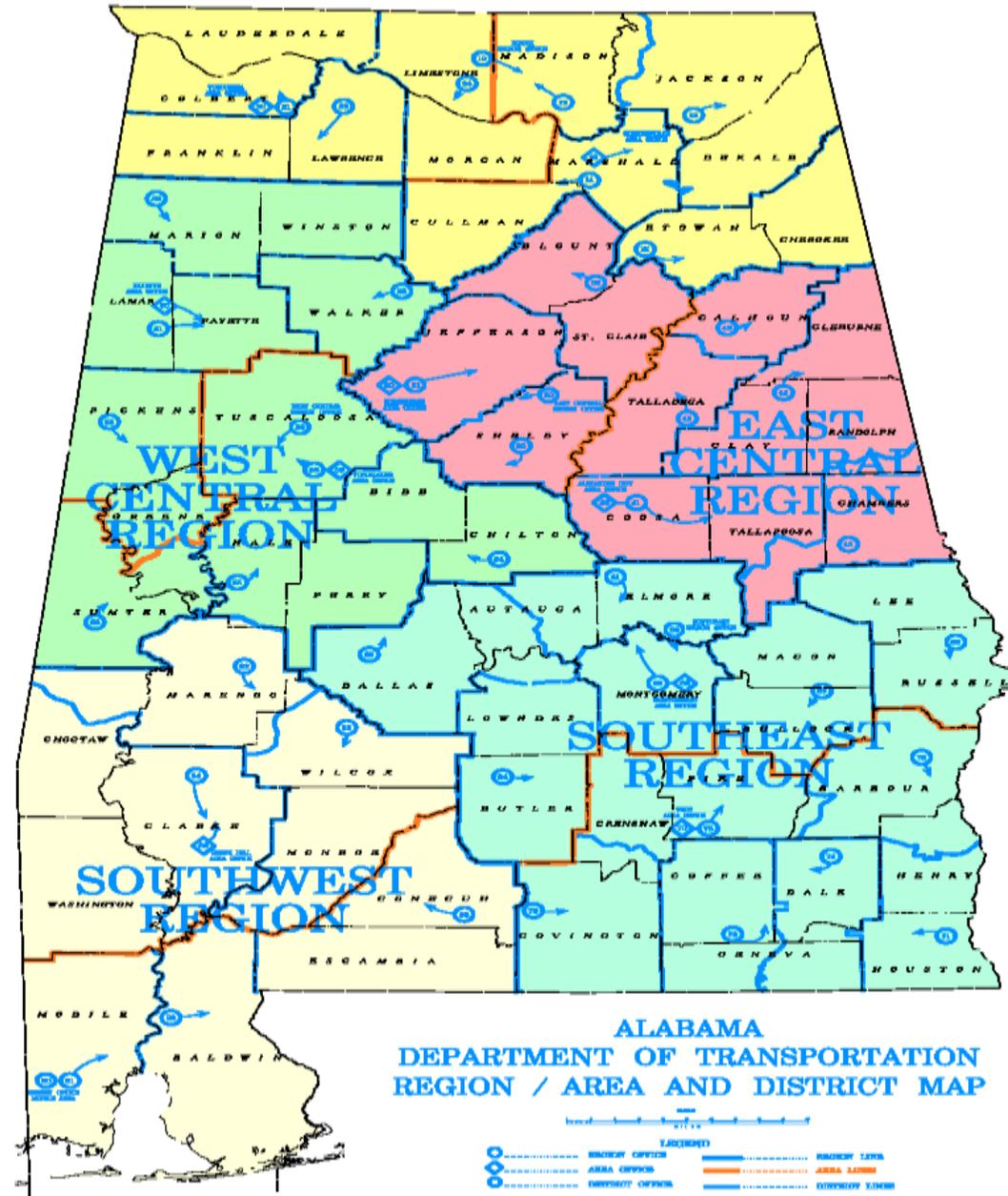
REGIONS:

- ▶ NORTH REGION
- ▶ EAST CENTRAL REGION
- ▶ WEST CENTRAL REGION
- ▶ SOUTHEAST REGION
- ▶ SOUTHWEST REGION

AREAS:

- Guntersville and Tuscumbia
- Birmingham and Alex City
- Tuscaloosa and Fayette
- Montgomery and Troy
- Mobile and Grove Hill

- ▶ Each Area is divided into a number of Districts, varying from 3 to 6, which are essentially county units. Some of the 42 Districts consist of 1 county, some Districts include 2 counties, some Districts split counties.
- ▶ ALDOT also operates 8 Welcome Centers and 19 Rest Areas



ALDOT Area Offices

Equipment Support Operations

- ▶ Area Equipment Maintenance Manager
 - ▶ Area and District Equipment Fleets (Rental)
 - ▶ Equipment Inventory Operations
 - ▶ Quarterly Equipment Orders
 - ▶ Equipment Maintenance and Repair Services
- ▶ Equipment Repair Facility
- ▶ Equipment Fuel Station

ALDOT Bureau of Equipment, Procurement and Services

- ▶ Equipment/Fleet Management Operations
- ▶ Procurement Office
- ▶ Facilities Management
- ▶ Property Inventory Management
- ▶ ALDOT Motor Pool and Local Fleet
- ▶ State Employee Gym
- ▶ Mail Services
- ▶ Central Supply Warehouse
- ▶ Conference Center

ALDOT Bureau of Equipment, Procurement and Services

- ▶ Total Bureau Employees: 74
- ▶ Assistant Bureau Chiefs / EMMs: 3
- ▶ Transportation Office Manager 1
- ▶ Executive Administrative Assistant 1
- ▶ Procurement Manager 1

Ten (10) Area Equipment Maintenance Managers
No Direct Supervision / Report to Area Managers

ALDOT Bureau of Equipment, Procurement and Services

- ▶ ALDOT Equipment/Fleet Management Operations
 - ▶ Acquisition - Specs, Contracts, Bids, Emergencies
 - ▶ Fleet Rental Operations - Vehicles and Equipment
 - ▶ Maintenance and Repairs - Internal and Contract
 - ▶ Inventory Management - Legal Compliance
 - ▶ Surplus / Salvage Management - Prep and Sales
 - ▶ Central Office Equipment Yard
 - ▶ Receiving, A98 Rentals, Repairs & Prep, Sales
 - ▶ State Agencies, Counties, Municipalities, Auctions

ALDOT Bureau of Equipment, Procurement and Services

▶ Procurement Office

- ▶ Purchasing Management Under Title 41 Bid Law
- ▶ Equipment, Materials, Supplies and Services
- ▶ Historically, approximately 15,000 Requisitions / Yr
- ▶ FY2016 - More than 46,000 requisitions
- ▶ Review Agency Local Payment requests
- ▶ Average Annual Spend \$165 – 190 Million
- ▶ Manage Fleet Local Delivery Order Processes
- ▶ Approve Emergency and Act 1053 Purchases

ALDOT Bureau of Equipment, Procurement and Services

- ▶ Facilities Management
 - ▶ Central Office Buildings and Grounds
 - ▶ Coliseum Boulevard
 - ▶ Fairground Road
 - ▶ Traffic Operations Drive
 - ▶ John Overton Drive
 - ▶ Kershaw Facility
 - ▶ Gunter Annex Complex
 - ▶ State Hangar, Montgomery Regional / Dannelly
 - ▶ State-wide ALDOT Land and Buildings Management
 - ▶ North Montgomery TCE Plume Acquisition

ALDOT Bureau of Equipment, Procurement and Services

- ▶ ALDOT Central Office Motor Pool
 - ▶ Local, In-State and Out-of-State
 - ▶ Passenger cars, vans, pick-ups, SUVs
- ▶ ALDOT / State Employee Gym
- ▶ Mail Room - US Mail, Inter-Office, Parcels
- ▶ Central Office Supply Warehouse / Map Sales
- ▶ ALDOT Conference Centers
 - ▶ Six (6) individual conference rooms
 - ▶ Three (3) Multi-room combinations

ALDOT Bureau of Equipment, Procurement and Services

- ▶ Property and Fleet Assets (98,688)
 - ▶ Vehicles (2941)
 - ▶ SA Assets - Automobiles - 155 pieces
 - ▶ ST Assets - Trucks - 2786 pieces
 - ▶ Construction and Maintenance Equipment
 - ▶ SE Assets - Tractors & Heavy Equip - 673 pieces
 - ▶ Rental Fleet - 3614 Vehicles and Equipment
 - ▶ Other Assets
 - ▶ SG Assets - Equip > \$500 - 17,205 pieces
 - ▶ HD Assets - Equip > \$500 - 19,494 pieces
 - ▶ "24" Assets - Equip < \$500 - 56,352 pieces
 - ▶ Aircraft - (2) Beechcraft Barons, Cessna Citation CJ4

Primary Elements of the Program

- ▶ Categories of Equipment
- ▶ Decentralized but Coordinated
- ▶ Cost-effective Procurement of Assets
- ▶ Life Cycle Determination
- ▶ Fleet Rental Program
- ▶ Asset Utilization Management
- ▶ Capitalization of Residual Value
- ▶ Remarketing of Assets
- ▶ Analytical Fleet Data Management

Categories of Equipment

- ▶ Rental Equipment (Revolving Fund)
 - ▶ Specific Basic Code for each Category - 198 BCs
 - ▶ Typically self-propelled over 40hp
 - ▶ SA, ST and SE
- ▶ Non-Rental Equipment (Other Equipment Budget)
 - ▶ \$500.00 plus, 1-year life expectancy - SG Equipment
 - ▶ \$100.00 - \$499.99 with security issues
 - ▶ Self-propelled 40hp and under
 - ▶ Non-motorized
 - ▶ Some exceptions
 - ▶ Forklifts, Skid steers, pot-hole patchers, etc
- ▶ Computer Equipment

Cost-effective Procurement of Assets

- ▶ Alabama State Bid Law
 - ▶ Code of Alabama Title 41 Section 16
 - ▶ Procurements of \$15,000.00 or more competitively bid
 - ▶ Contracts for a period of 12 months
 - ▶ Potential renewals for 4 additional terms
 - ▶ Escalation clause in vehicle and equipment contracts
- ▶ Passenger Vehicles and Light Trucks
- ▶ Medium to Heavy Trucks
- ▶ Truck Bodies
- ▶ Heavy Equipment Rental
- ▶ Tractors
- ▶ Vehicle bid evaluation and award based on Life Cycle Cost

Life Cycle Determination

- ▶ Basic Code for each category of equipment
- ▶ Specific Life cycle established per basic code
- ▶ Analysis of maintenance and operational costs
- ▶ Regression curve analysis
 - ▶ A procedure for determining a relationship between a dependent variable, such as cost of operation, and an independent variable, such as equipment age or usage, for a given population.
- ▶ Optimum value point
 - ▶ Residual Value vs Operational Costs
- ▶ Enhancements, Extraordinary Repair, Refurbishment

Examples of Specific Life Cycle

- ▶ B/C 1260 Drill Unit 2-T 4WD 12 yrs
- ▶ B/C 1650 5-T Dump 12yrs / 100,000 miles
- ▶ B/C 1670 Triaxle Dump 15yrs / 150,000 miles
- ▶ B/C 2350 Flat Crew Dsl 1-T 10yrs / 100,000 miles
- ▶ B/C 3300 Pickup Gas 1/2-T 5yrs / 55,000 miles
- ▶ B/C 3530 P/U 4WD Flex 3/4-1T 6yrs / 75,000 miles
- ▶ B/C 8250 Motor Patrol Lrg 10 years
- ▶ B/C 9360 Tractor 6-cyl 5 years
- ▶ B/C P040 Automobile Flex 4yrs / 50,000 miles

Fleet Rental Program

- ▶ Equipment Bureau “owns” all rental equipment
- ▶ Assigned (Rented) to a specific ALDOT location
- ▶ Equipment Program Collections – 4 Value Metrics
 - ▶ Replacement Rate
 - ▶ The estimated net cost (total cost of new unit less estimated salvage value of comparable owned unit) of replacing a like unit during the coming fiscal year.
 - ▶ Depreciation Rate
 - ▶ The difference between net acquisition cost and estimated residual value
 - ▶ Rental Rates
 - ▶ Cost of operation and maintenance
 - ▶ Salvage / Residual Value

Asset Management



- ▶ Fleet Asset Management Program
 - ▶ You must be able to measure your fleet metrics in order to manage your fleet
 - ▶ Proprietary system developed in-house
 - ▶ Fully integrates with our financial system
 - ▶ User friendly
 - ▶ Automated processes

Asset Management

- ▶ **CEMS - Equipment Management System**
 - ▶ (Consolidated Equipment Management System)
- ▶ **CPMS - Financial Management System**
 - ▶ (Consolidated Project Management System)
- ▶ Both systems integrated and interactive
- ▶ Data imports from:
 - ▶ FuelMaster Fuel Inventory System usage
 - ▶ Shop Orders
 - ▶ Administrative inputs

Analytical Fleet Data Management

- ▶ Capture and manage all key metrics, e.g.:
 - ▶ Basic code, equipment number, assignment
 - ▶ Acquisition cost, attachments, estimated resale
 - ▶ Usage, PMs, maintenance, down time, repeats
- ▶ Integrate with financial systems
 - ▶ Equipment and project costs, daily time cards, etc.
 - ▶ Reports and analysis

Asset Management - Examples

- ▶ Overdue PM inspections
- ▶ Under-utilization
- ▶ Abnormal fuel usage
- ▶ Maintenance / repair history
- ▶ Repetitive repairs per vehicle / class
- ▶ Average Operating Cost Per Mile
- ▶ Vehicles By Location

Asset Utilization Management

- ▶ Unit of Usage - Mile or Hour
- ▶ Minimum Monthly Usage
- ▶ Area EMM receives reports, generates reports
- ▶ Equipment Bureau Exception Report
 - ▶ Assets with less than 50% of minimum usage
 - ▶ Assets with less than 50% expected fuel economy
- ▶ Monthly Reports
- ▶ Periodic Reviews
- ▶ Validation of Assets or Relocation of Assets
- ▶ Special or Necessary Assets to meet mission
- ▶ Seasonal Mask

Capitalization of Residual Value

- ▶ Gross sales value less cost of sales
- ▶ Net Salvage Value
- ▶ Residual Value Returned to Revolving Fund
- ▶ Fund accounting by Area
- ▶ Transfer of Assets - Money follows asset

Remarketing of Assets

- ▶ Available Marketing Resources - Customers
 - ▶ Other State Agencies
 - ▶ Counties/Cities/Municipalities/Quasi-governmental
 - ▶ Public Auction
- ▶ Legal Obligation to State Agencies, Municipalities
 - ▶ Minimum 60 days prior to public auction
- ▶ Contract Auction Management
- ▶ “Rolling Stock”
- ▶ “Miscellaneous Off-Site”

Legal Framework Fleet Management System

- ▶ 41-16-21a 1969 Act 1053 – Repairs non-biddable
- ▶ 23-1-50.1 1981 Created Revolving Fund/Rental
- ▶ 23-1-64 1995 Allow ALDOT to sell surplus
- ▶ 23-1-65 1995 Management of surplus
- ▶ 23-1-66 1995 Sales procedures and proceeds

ALDOT EQUIPMENT REPLACEMENT PROGRAM

The theory behind our replacement program is to charge the user for each piece of equipment assigned (RENTED) to them at the lowest possible cost per mile / hour. Therefore, they must look at whether this piece of equipment is useful to them based on associated cost on keeping that piece of equipment.

A Self-Utilization Analysis

EQUIPMENT MANAGEMENT SCHEME

- **Equipment Management Categories**
 - **Basic Code = Equipment Type - Approx. 200 Unique Codes**
- **Equipment Life Expectancy by years or miles/hours based on history, experience and life cycle cost**
- **All Equipment Numbered:**
 - **Autos, Trucks, Heavy Equipment**

EQUIPMENT MANAGEMENT SCHEME

- **Operating Cost are accumulated on an individual unit basis and are identified by accounting areas (Cost Categories)**
- **Usage is reported on an individual asset basis**
- **Usage report is due by the 15th of each month**

Alabama Department of Transportation
2012 Active Basic Code Report

BASIC CODE	UNIT OF OPERATION		DESCRIPTION	GROSS REPLT COST	SALVAGE VALUE	REPLACEMENT LIFE
0010	Tenths of Hours		AIRPLANE JET	0	0	20
0020	Tenths of Hours		AIRPLANE, RECIPRO 2 ENGINE	557865	300000	20
0040	55000	Miles	AUTOMOBILE - FLEX FUEL	12250	7000	5
0050		Miles	LEASED AUTOMOBILE - FLEX FUEL	0	0	0
0060	55000	Miles	AUTOMOBILE - FULL-SIZE	15260	7500	5
0130	100000	Miles	ALL TERRAIN TOOL CARRIER-UNIMOG	138195	70000	12
0150	125000	Miles	AUGER TRK W/BUCKET DSL 4T DERRICK	140000	15000	12
0160	125000	Miles	AUGER TRK W/BUCKET 5T DERRICK	170100	25000	12
0170	200000	Miles	BRIDGE RATING TRK DSL 10T	163800	25000	15
0200	100000	Miles	BUCKET TRUCK DIESEL 1T	87500	18000	10
0250	125000	Miles	BUCKET TRUCK DIESEL 2-3T	119000	20000	10
0260	125000	Miles	BUCKET TRUCK/SIGN DIESEL 2T	87500	14000	12
0400	125000	Miles	BUS DSL 29-39 PASSENGER	49000	3500	14
0600	100000	Miles	UTILITY TRUCK LARGE GAS	21700	7500	6
0650	100000	Miles	UTILITY TRUCK LARGE GAS 4X4	24500	10000	6
0700	0	Miles	UTILITY TRUCK LARGE FLEX FUEL LEASED	0	0	3
0710	0	Miles	UTILITY TRUCK MID-SIZE LEASED	0	0	3
0840	125000	Miles	CHASSIS DIESEL 5 TON	49455	18000	14
0950	125000	Miles	CRANE DSL 3 TON	70000	7000	15
1000	125000	Miles	CRANE DSL KNUCKLEBOOM 2-3T	91700	12500	12
1010	125000	Miles	CRANE DSL KNUCKLEBOOM 4TON	100100	18000	12
1030	200000	Miles	CRANE DSL KNUCKLEBOOM 5 TON	140000	20000	15
1040	200000	Miles	CRANE DSL STRAIGHTBOOM	140000	20000	15
1050	125000	Miles	DIS DSL/GAS 600-1000 GAL ASPHALT TANK	82600	10000	15
1100	125000	Miles	DIS DSL/GAS 1250-1500 GAL ASPHALT TANK	84000	15000	15
1210		Hours	DRILL UNIT 1-1/2TON 4X4 DSL	119000	20000	12
1260		Hours	DRILL UNIT DIESEL 2 - 2-1/2 T 4X4	140000	20000	12

FUNDING BACKGROUND

PRE 1981



- **Equipment Replacement Program approved by Legislature**
- **Operating Funds recovered from users via Rental Rate**
- **Depreciation Fee was charged**
 - **Monies were returned to the General Road and Bridge Fund**

RENTAL RATE OPERATING COST

- **Goal – Recover operating expenses**
- **Not intended for fund accumulation**
- **Rate set annually**
- **Rate for each basic code (type category)**
- **Individual rate for each Area, General Office and Central Pool**

RENTAL RATE OPERATING COST

- Rates set to achieve a zero balance in each Area
- Cost recorded on shop invoices, accounting transactions
- Fuel consumption and usage captured by FuelMaster
- User fee computed from monthly use reports
- Rate applies only to actual use - NOT minimum usage
- Annual state-wide average operating cost per mile/hour is used to help in determining when to replace equipment.
(Following example Flat Crew-Cab Diesel 1-Ton)

**ALABAMA DEPARTMENT OF TRANSPORTATION
AVERAGE OPERATING COSTS / USAGE**

Average Operating Costs Per Mile/Hour

Basic Code	Repl't Yr	Model Yr	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2350	12	2003	0.00	0.25	0.27	0.32	0.45	0.51	0.57	0.59	0.67	0.67
		2005	1.71	0.51	0.46	0.50	0.51	0.52	0.63	0.66		
		2006	0.47	0.40	0.43	0.47	0.48	0.50	0.52			
		2007	0.37	0.41	0.43	0.43	0.48	0.56				
		2008	0.62	0.46	0.45	0.49	0.51					
		2009	0.50	0.41	0.49	0.51						
		Averages	0.61	0.41	0.42	0.45	0.49	0.52	0.57	0.63	0.67	0.67

Average Total Usage

Basic Code	Repl't Yr	Model Yr	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2350	12	2003	0	8,941	22,686	32,247	41,518	52,012	61,352	74,131	83,870	90,216
		2005	1,179	12,830	25,340	37,959	49,278	61,041	73,656	79,358		
		2006	5,725	21,695	36,663	49,833	59,401	71,751	77,263			
		2007	13,944	29,493	45,792	65,002	74,866	83,735				
		2008	8,523	27,843	46,637	64,039	72,482					
		2009	4,776	25,228	43,722	53,732						
		Averages	5,691	21,005	36,806	50,468	59,509	67,135	70,757	76,744	83,870	90,216

Average Total Operating Costs

Basic Code	Repl't Yr	Model Yr	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2350	12	2003	6	2,191	6,137	10,349	18,700	26,698	34,922	43,500	56,393	60,177
		2005	2,015	6,543	11,658	18,929	25,264	31,849	46,064	52,091		
		2006	2,683	8,571	15,913	23,420	28,232	35,906	40,078			
		2007	5,228	12,150	19,783	27,958	35,785	46,695				
		2008	5,272	12,938	21,158	31,460	36,877					
		2009	2,399	10,460	21,331	27,466						
		Averages	2,934	8,809	15,997	23,264	28,972	35,287	40,355	47,795	56,393	60,177

**ALABAMA DEPARTMENT OF TRANSPORTATION
AVERAGE OPERATING COSTS / USAGE**

Annual Operating Cost

Basic Code	Repl't Yr	Model Yr	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2350	12	2003	12	4,371	7,891	8,425	16,702	15,997	16,446	17,157	25,785	7,569
		2005	6,045	13,586	15,342	21,815	19,006	19,753	42,646	18,079		
		2006	10,731	23,554	29,365	30,031	19,248	30,694	16,688			
		2007	5,226	6,922	7,634	8,175	7,827	10,910				
		2008	126,563	199,315	213,731	267,852	140,834					
		2009	59,985	201,503	271,791	153,382						
		Total	208,562	449,251	545,754	489,680	203,617	77,354	75,780	35,236	25,785	7,569

Annual Repair Cost

Basic Code	Repl't Yr	Model Yr	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2350	12	2003	12	2,112	2,492	3,189	12,025	8,575	11,895	10,062	18,429	2,569
		2005	5,327	3,828	4,914	5,486	9,213	8,117	27,113	10,661		
		2006	4,711	7,639	9,276	15,841	8,941	13,978	7,567			
		2007	1,840	1,026	3,363	2,157	4,544	6,417				
		2008	31,697	65,706	76,644	109,288	54,800					
		2009	29,980	49,736	103,589	51,635						
		Total	73,567	130,047	200,278	187,596	89,523	37,087	46,575	20,723	18,429	2,569

Units

Basic Code	Repl't Yr	Model Yr	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2350	12	2003	2	2	2	2	2	2	2	2	2	2
		2005	3	3	3	3	3	3	3	3	3	
		2006	4	4	4	4	4	4	4	4		
		2007	1	1	1	1	1	1				
		2008	26	26	26	26	26					
		2009	25	25	25	25						
		Totals	61	61	61	61	36	10	9	5	2	2

1981 EQUIPMENT MANAGEMENT SURPLUS RESERVE ACCOUNT LAW

- **Allows accumulation of depreciation of acquisition cost into a Replacement Fund**
- **Allows accumulation of replacement rate on expected increase in acquisition cost into a Replacement Fund (Commonly referred to as Revolving Fund)**
- **Allows accumulation of salvage dollars into a Replacement Fund**
- **Funds are accumulated by Area – fund transfers are prohibited**
- **Accumulated funds are be used to replace or upgrade equipment or perform extraordinary repairs**

SOURCES OF REPLACEMENT FUND ACCUMULATION

- **Depreciation Rate**
- **Replacement Rate**
- **Allocation of sale proceeds and accident collections**

DEPRECIATION RATE

- **Goal - Recover Depreciation Cost of ownership**
 - Acquisition cost less Residual Value
- **Unit of usage depreciation method used**
- **Rate set for each basic code (Type/category of equipment - Same for all Areas)**
- **Rate set annually based on changes in life expectancy years or miles, average monthly use, or average unit cost and anticipated residual value**
- **Rate applies Statewide - Same for all Areas**
- **Payment computed from monthly use reports**
- **Minimum monthly use is applied to this rate if minimum use is not achieved**
- **Accumulated funds are segregated into each Area revolving Fund Account**

REPLACEMENT RATE

- **Goal - Accumulation of sufficient funds to provide for replacement of equipment at today's acquisition price less residual value**
- **Rate set for each basic code (Same for all Areas)**
- **Rate set annually using latest cost plus projected increases, life expectancy and average monthly use**
- **Rate applies Statewide – Same for all Areas**
- **Payment computed from monthly use reports**
- **Minimum monthly use is applied to this rate if minimum use is not achieved**
- **Accumulated funds are segregated into each Area revolving Fund Account**

BUYING CYCLE

- **Replacement Equipment Ordered Quarterly**
 - **September; December; March; June;**
- **Areas identify needs based on life expectancy, age, usage and available funds**
- **Area requests are reviewed against replacement criteria and approved or disapproved by Department Managers**
- **Generally, equipment must be replaced with like equipment or upgraded**
- **Equipment, Procurement & Services Bureau personnel develop specifications and requisition equipment at the Central Office**
- **Receiving documents distribute replacement cost to applicable division fund**
- **Equipment cannot exceed number of units that existed at time law was passed without requesting Legislature to grant funds for purchase of additional units**

DISPOSAL of SURPLUS PROPERTY

- In 1995 the Alabama Legislature passed legislation (Act 95-397), House Bill 751 to allow the Alabama Department of Transportation to sell their own surplus property.
- Prior to this legislation, all surplus property was being turned over to another state agency for disposal. This agency charged the department 25% of the net proceeds to dispose of the property, and made no effort to maximize residual value.
- It was not feasible for ALDOT to spend time or money preparing equipment for sell nor to turn equipment in early due to the 25% handling fee.

CODE of ALABAMA

➤ Section 23-1-64

- Disposal of surplus personal property – ALDOT to be responsible for disposal; sale at fair market value and payment; Governmental entity preferences; notification by municipalities and counties.

➤ Section 23-1-65

- Disposal of Surplus personal property – Availability; list of surplus property. Rolling stock must be priced and on ALDOT's website available to other State agencies, city and county municipals and quasi-governmental entities for a minimum of 60 days before equipment can be sold at auction.

➤ Section 23-1-66

- Disposal of Surplus personal property – Sale procedures.

PUBLIC AUCTION

- **Handled by Professional Auction Company through a contract agreement with the Alabama Department of Transportation.**
- **Contract is established with RFP procedure.**
- **Contract agreement is good for two years, with one available 2-year renewal. Upon expiration, procedures are updated and a new RFP is processed.**

BENEFITS of AUCTION

- **Increases Equipment Revolving Fund**
- **Tax dollars collected by auction company generates additional funds to the State General Fund Budget**
- **Causes our employees to take a sense of pride and ownership in equipment, increasing the residual value and reducing the cost of equipment maintenance.**
- **Enables Cities, Counties and other State agencies an additional avenue to purchase equipment at a cost savings.**
- **Gives ALDOT an avenue for the disposal of obsolete supplies and surplus equipment**

EQUIPMENT SALES REVENUE

- Revenue Netted through sales by other State agency
 - 1980 – 1995 (15 Yrs) \$ 12,362,714.44
- Revenue Netted through ALDOT sales and auctions
 - 1996 – June 2017 (21 years) \$ 167,772,241.44
- Average Annual Surplus Sales Revenue 1980 – 1995: \$ 824,181.00
- Average Annual Surplus Sales Revenue 1996 – 2016: \$ 7,989,154.00

EQUIPMENT AUCTION RESULTS

June 29 – 30, 2017

- **Number of Lots Sold:** 144 Rolling Stock plus Miscellaneous
- **Auction Sales Revenue :** \$ 3,979,460.00
- **Alabama Sales Tax Revenue:** \$ 89,052.35
- **Sales Tax Revenue 2009 – 2017:** \$ 1,221,004.10
- **Estimated Alabama General Fund Tax Revenue Since 1996:** \$3,312,912







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